

JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION
OAK RIDGE OFFICE
ORIGINATING ORGANIZATION: FACILITIES, INFORMATION, AND
RESERVATION MANAGEMENT DIVISION
CONTRACT NUMBER: DE-AC05-00OR22777

I. IDENTIFICATION OF CONTRACTING ACTIVITY:

The Oak Ridge Office (ORO) of the Department of Energy (DOE) plans to contract by means other than full and open competition. This document sets forth the justification and approval for the use of one of the exceptions to full and open competition allowed under the Competition in Contracting Act (CICA) of 1984.

II. NATURE OF ACQUISITION:

This contract extension is to provide a potable water supply in support of the Y-12 National Security Complex (Y-12) and the Oak Ridge National Laboratory (ORNL). The extension of a firm fixed-price type of contract is contemplated. The prospective contractor is the City of Oak Ridge, Tennessee.

III. DESCRIPTION OF SERVICES OR SUPPLIES:

The City of Oak Ridge currently provides a potable water supply to Y-12 and ORNL under contract number DE-AC05-00OR22777. This justification is for a modification to extend contract number DE-AC05-00OR22777 for three (3) months. The anticipated start date of performance is April 1, 2017 and the anticipated end date of performance is June 30, 2017. The contract is being extended based on a request from the City of Oak Ridge for the period of performance to align with the City's fiscal year.

IV. STATUTORY AUTHORITY PERMITTING OTHER THAN FULL AND OPEN COMPETITION:

The statutory authority permitting extension of the contract without full and open competition is Federal Acquisition Regulation (FAR) Subpart 6.302-1, *Only one responsible source and no other supplies or services will satisfy agency requirements*, which authorizes other than full and open competition when supplies or services required by the agency are available from only one responsible source, and no other type of supplies or services will satisfy agency requirements.

V. UNIQUE QUALIFICATIONS OF THE PROPOSED CONTRACTOR OR NATURE OF ACTION REQUIRING USE OF THE AUTHORITY:

The City of Oak Ridge operates the municipal water treatment plant and provides residential and commercial water utility services for the City of Oak Ridge. It is a utility service by definition in accordance with FAR Part 41, *Acquisition of Utility Services*, Subpart 41.101 *Definitions*.

VI. EFFORTS TO IDENTIFY ADDITIONAL SOURCES:

This procurement action meets FAR Subpart 5.2, *Exceptions*; the exception at FAR Subpart 5.202(a) (5) applies. The proposed contract action is for utility services other than telecommunications services and only one source is available. The proposed contract action is made under the conditions described in FAR Subpart 6.302-1, *only one responsible source and no other supplies or services will satisfy agency requirements*.

There are no other known sources capable of providing water utility services. The local municipality is the only provider with the requisite infrastructure capable of supplying potable water to DOE. There are other utility companies in the area; however, the infrastructure to transport the water to DOE is not available.

VII. METHOD TO BE USED FOR DETERMINING PRICE / COST REASONABLENESS:

The total estimated value of the extension is \$175,323 per month, and the estimated value of the total action is \$525,969.

Prior to the year 2000, DOE-ORO maintained and operated (by contract) a Water Treatment Plant (WTP) located on the DOE Oak Ridge Reservation to provide potable water to the Y-12 and ORNL sites. During this time, DOE-ORO also provided potable water to the City and its consumers, both residential and commercial. In 2000, as a result of a study which concluded that the City could produce water more efficiently and subsequent direction from DOE headquarters, DOE-ORO deeded ownership of the WTP over to the City. The terms of the deed dictate that the City will continue to provide water to DOE-ORO and further that "at no time shall the [City] charge the [DOE-ORO] a Finished Water Rate which is higher than the rate the [City] charges the City of Oak Ridge Water Distribution Center." The distinction is important due to the fact that DOE-ORO operates its own water distribution system which is separate and distinct from that of the City. As such DOE-ORO does not bear costs related to the city's water distribution.

This action proposes to extend the monthly price for (3) three months. The firm-fixed price calculation:



The Financial Evaluation and Accountability Division (FEAD) provided continuous support including evaluation of the proposed rates.

VIII. MARKET RESEARCH:

Market research was limited because the City owns and operates the only water plant capable of providing the required utility services. There are no other sources for water within the City, nor do any of the regional water utility districts have the infrastructure and capacity to provide water to the DOE facilities. Even if other water utilities had the capacity, extending a water line to the DOE facilities would be cost prohibitive and the resultant usage rates would be significantly higher than the usage rates DOE is currently paying.

IX. OTHER FACTS SUPPORTING THE USE OF OTHER THAN FULL AND OPEN COMPETITION:

The City is uniquely qualified to provide the water service because it owns and operates the only water plant capable of service to Y-12 and ORNL.

X. SOURCES THAT EXPRESSED A WRITTEN INTEREST IN THE ACQUISITION:

Not Applicable

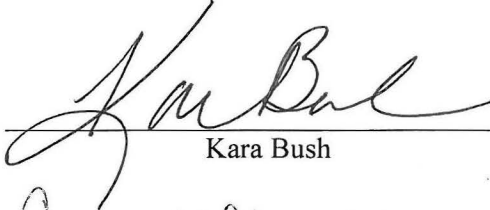
XI. STATEMENT OF ACTIONS ORO MAY TAKE TO REMOVE OR OVERCOME ANY BARRIERS TO COMPETITION IF SUBSEQUENT ACQUISITIONS ARE ANTICIPATED:

In the event that another source becomes qualified to perform this work, DOE will consider awarding subsequent acquisitions for these services as a competitive award.

CERTIFICATIONS

The information contained in this JOFOC is accurate and complete to the best of my knowledge and belief.

Acquisition Initiator


Kara Bush

2/15/17
(Date)

*Contracting Officer


Casey Willis McCracken

2/21/17
(Date)

Branch Chief
Procurement & Contracts
(>\$700K)

(Signature)

(Date)

*For actions less than \$700,000, the Contracting Officer should include the Competition Advocate and Senior Program Official in the review of the JOFOC before signing the JOFOC.

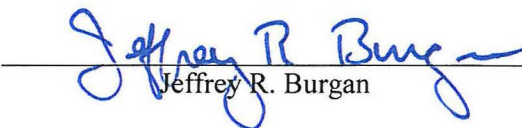
REVIEWS AND APPROVALS

Senior Program Official
(or designee)


David Buhaly

2/16/17
(Date)

ORO Competition Advocate
(AM, P&CD)


Jeffrey R. Burgan

2/21/17
(Date)

Legal Counsel (>\$1M)

(Signature)

(Date)

Manager, ORO
(>\$13.5M)*

(Signature)

(Date)

Senior Procurement Executive
(Director, Office of Procurement
and Assistance Management,
DOE Headquarters)
(>\$50M)

(Signature)

(Date)